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CONFIDENTIAL BEIJING 004019

DEPT FOR VCI/FO AND EAP/CM

E.O. 12958: DECL: 10/22/2033

TAGS: PARM MTCR PREL MNUC ETTC CH IR

SUBJECT: CHINA PROTESTS PENDING SANCTIONS AGAINST THREE

CHINESE COMPANIES

REF: STATE 112219

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1. 4 (b), (d) and (h).

- 11. (C) PolOff on October 22 informed MFA Arms Control and Disarmament Department officials that the USG has determined that China Xinshidai Company, China Shipbuilding and Offshore International Corporation LTD and Huazhong CNC have engaged in activities that warrant the imposition of measures pursuant to Section 3 of the INKSNA (reftel). (Note: Continued MFA Arms Control and Disarmament Department "unavailability" to meet with PolOffs since the October 3 announcement of U.S. arms sales to Taiwan prevented delivery of reftel non-paper describing the measures in more detail.)
- 12. (C) MFA Arms Control and Disarmament Department Missile Division Deputy Director Wang Daxue subsequently contacted PolOff and said informally that "these types of unilateral sanctions" will only "step by step destroy nonproliferation cooperation between China and the United States. We ask you not to continue with these measures."

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End Cable Text